

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
BOARD OF ADMINISTRATION  
2006 Legislative Year**

**Status as of February 3, 2006**

**B - Other Bills**

<b>Bill Number Version</b>	<b>Author</b>	<b>Summary</b>	<b>Board Position</b>	<b>Status</b>
<b>AB 71</b>	Chan	<b>Office of California Drug Safety Watch</b>		06/27/2005- Senate Health Committee
A-06/23/2005		Establishes the Office of California Drug Safety Watch within DHS. Requires the Office to maintain safety and effectiveness information for prescription drugs for which there have been recently published reports of safety concerns and that have been frequently advertised on television. The information must be posted on an Internet Web site and rely on systematically reviewed evidence-based research. Requires the Department of Health Services to impose a fee upon the manufacturers of drugs sold in the state in order to implement the bill.		
<b>AB 804</b>	La Suer	<b>Patrol Members: IDR Benefits</b>	Support	06/29/2005- Senate PE&R Committee
A-06/29/2005		Requires CalPERS to change an industrial disability retirement to a service retirement, if the member is receiving the maximum service retirement amount and is subsequently employed as a peace officer outside of state service. The bill would also exempt the CHP from making certain types of disability indemnity payments if the injured employee is a peace officer and receiving the maximum allowance as specified, and requires a workers' compensation insurer to disclose to the CHP information for the purpose of investigating workers' compensation insurance fraud.		
<b>AB 1558</b>	Wolk	<b>Financial Interest in Public Contracts</b>	Support	02/01/2006- Senate Rules Committee
A-01/19/2006		Current law prohibits public officials and employees from having a financial interest in any contract made by them or by any board or body of which they are members. This bill would create a pilot project to allow the Fair Political Practices Commission to issue opinions with respect to a public official's duty under those provisions.		

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<b>AB 1643</b>  A-08/22/2005	Jones	<b>Long-Term Care Pilot Project</b>  Requires the CalPERS Board, in cooperation with the California Health and Human Services Agency, to contract with an independent firm or organization to study the feasibility of creating a pilot program to provide long-term care coverage to persons excluded from the program because of underwriting criteria, and to report the results of the study to the Legislature by March 31, 2008.	Support, if Amended	08/22/2005- Senate Appropriations Committee
<b>AB 1800</b>  I-01/10/2006	Laird	<b>2006-07 Budget Act</b>  Makes appropriations for support of state government for the 2006-07 fiscal year. Urgency clause.		01/23/2006- Assembly Budget Committee
<b>ABX1 3</b>  I-04/14/2005	Richman	<b>Defined Contribution and Hybrid Plan for New Employees</b>  Establishes defined contribution and hybrid plans for public employees hired on or after July 1, 2007, if approved by voters in a statewide election. Requires that any benefit enhancement for members of CalPERS, CalSTRS, or a '37 Act system be prospective only; permits the board to cancel a member's disability retirement if that member becomes employed in the same or similar job classification for more than 3 months; and permits the board to order a medical reevaluation of a member retired for disability if the member is less than age 59. The bill would require actuaries, when performing asset valuations for the purposes of establishing employer rates, to spread market value asset gains and losses over a period of at least 5 years. Provides specified death and disability benefits for those participating in a hybrid or DC plan.		05/25/2005- Assembly Public Sector Committee
<b>ABX1 4</b>  I-05/04/2005	Torrico	<b>Employer Rate Stabilization Accounts</b>  Establishes within the PERF a Taxpayer Risk Reduction Account for each employer. The accounts would be held as an employer asset and funded by all or a portion of employer contributions when the actuarial value of assets exceeds the present value of benefits. The account may be drawn upon to pay a portion of the employer contribution when the employer contribution rate is greater than the normal cost of benefits.		05/26/2005- Assembly Ways and Means Committee

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ABX1 6 A-06/02/2005	Evans	<b>Final Compensation Cap; Safety Retirement Cap; Safety Member Reemployment Plan; Conversion of IDR Benefit</b>  Creates a cap on final compensation for new members. Requires an employer to develop a reemployment plan for a disabled safety member who is able to perform the duties of a miscellaneous position; the plan is subject to member approval, and the member may receive a supplemental allowance to offset the salary of the miscellaneous position. Increases the cap on safety retirement benefits to 100% for a service retirement; establishes a cap on safety retirement benefits of 85% for a disability retirement. Allows CalPERS to change an industrial disability retirement to a service retirement under specified circumstances.		06/08/2005- Assembly Ways and Means Committee
ACA 5 I-12/06/2004	Richman	<b>Defined Contribution Plan for New Participants</b>  Proposes an amendment to the California State Constitution to prohibit any newly hired public employee, including state employees, from being enrolled in a defined benefit (DB) public pension plan after July 1, 2007, and establishes the California Public Employee Defined Contribution Plan. ACA 5 would restrict new public employees to defined contribution (DC) plans with limited employer contributions.	Oppose	04/14/2005- Assembly PER&SS Committee
ACA 23 A-01/30/2006	Richman	<b>California Public Employee Retirement Plan</b>  Proposes an amendment to the California State Constitution to establish the California Public Employee Retirement Plan with mandated enrollment in a defined benefit plan and voluntary enrollment in a defined contribution plan for public employees hired on or after July 1, 2007. This measure would, among other things, reduce retirement benefits, increase the normal retirement age, and establish different employee and employer contribution rules.		01/31/2006- Assembly PER&SS Committee
ACAX1 1 I-01/06/2005	Richman	<b>Defined Contribution Plan for New Participants</b>  Proposes an amendment to the California State Constitution to prohibit any newly hired public employee, including state employees, from being enrolled in a defined benefit (DB) public pension plan after July 1, 2007, and establishes the California Public Employee Defined Contribution Plan. ACAX1 1 would restrict new public employees to defined contribution (DC) plans.	Oppose	03/02/2005- Assembly Public Sector Committee

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<b>ACAX1 8</b>  I-04/14/2005	Richman	<b>Defined Contribution and Hybrid Plan for New Participants</b>  Proposes an amendment to the California Constitution that would establish the California Public Employee Defined Contribution and Hybrid Plans for public employees hired on or after July 1, 2007 as administered by CalPERS, CalSTRS, UCRS, or a private administrator contracted by a local entity. Requires that plans offer death and disability benefits, and establishes employee and employer contribution rates. Permits UC Regents to establish employer contribution rates as necessary to recruit and retain employees.		05/25/2005- Assembly Public Sector Committee
<b>ACRX1 1</b>  I-02/07/2005	Dymally	<b>Divestment of Sudan Investments</b>  Urges CalPERS to ensure that no funds are invested in companies doing business in Sudan, so long as genocide and fighting continue in the Darfur region.		02/08/2005- From printer.
<b>SB 154</b>  A-04/21/2005	Chesbro	<b>PEMHCA: Reciprocity with Other States</b>  Authorizes the CalPERS Board to contract with out-of-state public employee pension and health systems to provide health care benefits to California employees and annuitants who reside outside this state, as specified.		01/26/2006-In Assembly. Read first time. Held at Desk.
<b>SB 733</b>  A-07/01/2005	Aanestad	<b>Butte and Solano County Trial Courts</b>  Current law requires, for counties contracting with CalPERS, the county and the trial court within that county to participate in CalPERS under a joint contract. This bill would exempt Butte County and Solano County from part of that provision, instead requiring that the assets and liabilities of the trial court and the county be kept in separate accounts, with the separation of assets calculated retroactively from June 30, 2002.	Oppose Unless Amended	08/25/2005- Assembly Appropriations Committee

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<b>SB 739</b>  A-08/30/2005	Speier	<b>Hospitals: Infection Control</b>  Requires hospitals to have a written infection control program for the surveillance, prevention, and control of infections. Requires a hospital to collect and maintain data, for a specified time period, regarding the number of hospital-acquired infections, surgical site infections, and of its activities to reduce hospital-acquired infections and improve the quality of care. Requires OSHPD to annually evaluate the program and requires each hospital to participate in the hospital-acquired infection reporting system of the National Healthcare Safety Network of the Centers for Disease Control and Prevention.	Support	09/08/2005- Read third time. Refused passage. Action rescinded and record expunged whereby bill refused passage. Placed on inactive file on request of Assembly Member Wolk.
<b>SB 840</b>  A-07/12/2005	Kuehl	<b>Universal Coverage: Single-Payer System</b>  Makes all California residents eligible for specified health care benefits under the newly created California Health Insurance System, which would, on a single-payer basis, negotiate and pay claims for health care services provided through the system. Prohibits the issuance of health plan contracts for services covered by the system. Requires the system to be operational within 2 years of enactment. Funds from existing health programs will be redirected to that fund.	Neutral	07/12/2005- Assembly Rules Committee
<b>SB 1129</b>  I-01/10/2006	Chesbro	<b>2006-07 Budget Act</b>  Makes appropriations for support of state government for the 2006-07 fiscal year. Urgency clause.		01/11/2006- From print. May be acted upon on or after February 10.
<b>SB 1168</b>  I-01/11/2006	Chesbro	<b>Rural Health Care Equity Program</b>  Extends the operation of the Rural Health Care Equity Program from January 1, 2008 to January 1, 2012 or until the board determines that health maintenance organization plans are no longer the most cost-effective health benefit plans offered by the board.		01/19/2006- Senate PE&R Committee
<b>SB 1187</b>  I-01/19/2006	Ackerman	<b>Judges' Retirement System II: Annuity Option for Early Retirees</b>  Provides JRS II members retiring "early" an option of a lifetime annuity similar to that offered to JRS II members under a "normal" retirement by authorizing CalPERS to offer the option of an actuarially equivalent lifetime annuity.		01/26/2006- Senate PE&R Committee

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<b>SB 1207</b>  I-01/26/2006	Alarcon	<b>Corporations Code: Majority Vote</b>  Establishes the majority vote standard in uncontested, corporate board of director elections. An approval by a majority of the shares represented and voting would be required to elect each director.		02/02/2006- To Committees Senate Banking, Finance & Insurance and Senate Judiciary
<b>SBX1 2</b>  I-05/12/2005	Dunn	<b>Employer Rate Stabilization Accounts</b>  Establishes within the PERF a Taxpayer Adverse Risk Prevention Account for each employer. The accounts would be held as an employer asset and funded by all or a portion of employer contributions when the actuarial value of assets exceeds the present value of benefits. The account may be drawn upon to pay a portion of the employer contribution when the employer contribution rate is greater than the normal cost of benefits.		05/24/2005- Senate Appropriations Committee
<b>SBX1 6</b>  I-05/19/2005	Ashburn	<b>Three Year Final Compensation Period</b>  Provides a 3-year final compensation period for state and school members hired on or after January 1, 2006, or those not in an employee group subject to a 1-year final compensation definition.		05/23/2005- Senate PE&R Committee; failed passage.
<b>SBX1 7</b>  I-05/19/2005	Ashburn	<b>Prospective Application of Benefit Enhancements</b>  Beginning January 1, 2006, requires that retirement formula enhancements apply prospectively only, and not be applied to prior service.		05/23/2005- Senate PE&R Committee; failed passage.
<b>SBX1 9</b>  I-05/19/2005	Ashburn	<b>Election Rights for 1st Tier Service</b>  Requires a member's election to become subject to 1st tier benefits, rather than 2nd tier benefits, to be filed at least 3 years prior to retirement. Also removes a member's ability to convert 2nd tier service to 1st tier upon making the required member contributions.		05/23/2005- Senate PE&R Committee; failed passage.
<b>SBX1 10</b>  I-05/19/2005	Ashburn	<b>DB/DC Hybrid Plan</b>  Requires the CalPERS Board of Administration, and the governing boards of county and local retirement plans, to establish hybrid retirement plans for employees hired on or after January 1, 2006 that consist of a defined benefit plan funded by employer contributions, and a defined contribution plan funded by employee contributions.		05/23/2005- Senate PE&R Committee; failed passage.

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<b>SBX1 12</b>	Ashburn	<b>Reduced Benefit Formula for New Employees</b>		05/23/2005- Senate PE&R Committee; failed passage.
I-05/19/2005		Specifies that the 2% @ 55 and the 3% @ 60 formulas are not applicable to employees hired on or after January 1, 2006. Employees hired after that date would instead be subject to a 2% @ 60 formula.		
<b>SBX1 13</b>	Ashburn	<b>Rate Stabilization: Contingency Reserves</b>		05/23/2005- Senate PE&R Committee; failed passage.
I-05/19/2005		Authorizes the CalPERS Board and the respective retirement boards of local government systems to create a Pension Contribution Stabilization Account. The account is to be used for the sole purpose of paying unfunded liabilities. Would require employer contributions in years when the actuarial value of the system's assets exceeds its liabilities.		
<b>SCA 17</b>	Speier	<b>State Officer: Compensation</b>		08/16/2005- From print. May be acted upon on or after September 15.
I-08/15/2005		The California Constitution prohibits a state officer from accepting and from receiving earned income from certain persons. For this purpose, "state officer" means the Governor, Lieutenant Governor, Attorney General, Controller, Insurance Commissioner, Secretary of State, Superintendent of Public Instruction, Treasurer, or a member of the State Board of Equalization. Current law prohibits a state or local public official from using his or her official position to influence a governmental decision in which he or she has a financial interest. Amends the California Constitution to prohibit a state officer, as specified, from providing services other than performing the duties of his or her state office for compensation from the state.		